



Lark Distilling Co.

ASX ANNOUNCEMENT

2 February 2022

Completion of Acquisition of Pontville Distillery and Estate

Lark Distilling Co. Limited (ASX: LRK) ('Lark' or 'the Company'), Australia's leading distiller of single malt whisky, is pleased to announce that it has today completed the acquisition of Kernke Family Shene Estate Pty Ltd, the owner of the Pontville Distillery and Estate, as first announced on 18 October 2021.

As part of the acquisition Lark has issued 306,360 ordinary fully paid shares to the vendors escrowed until the earlier of 2 years from the issue date and the opening of the new distillery. An Appendix 2A for quotation of the consideration shares follows this release.

The Acquisition is strategically compelling and delivers the following:

- 483,000 litres of whisky under maturation¹ for \$24 million
 - Lark now expects to have 2+ million litres of whisky under maturation at 30 June 2022, valued at \$435m
 - Expected to be approximately 19% accretive to Net Sales Value per share, on a Q1 FY22 pro forma basis
 - Rebalances the profile of litres under maturation with 29% of the acquired liquid available for sale in FY22 and FY23
 - Provides early access to export market from FY23 (12 months ahead of previously published plans)
- Considerable estate of 40 acres and buildings (inc. a distillery and eight bond stores)
 - Current production capacity of acquired distillery is 193,000 litres p.a. increasing Lark's total production capacity by ~50% to 576,000 litres p.a.
 - Eight onsite bond stores ensure fire risk is appropriately managed across four separate locations throughout Tasmania
 - Commenced planning for the construction of a greenfield distillery, capable of producing 1 million litres p.a. The construction cost of this facility is expected to be approximately \$13 million, with the distillery to be commissioned in 2023
- Pontville Onsite Cooperage²
 - Establishes Lark as the only distiller with onsite cooperage in Tasmania

Pontville will be Lark's third working distillery in Tasmania, alongside its Cambridge and Bothwell sites and will contribute to the inhouse production of 576,000 litres of Lark whisky each year. Lark at Pontville will commence distilling from February 2022 with its cellar door open to the public from this date. All whisky distilling, product innovation and development will continue to be led by Lark's Master Distiller Chris Thomson and his team.

In addition, Lark has commenced planning for the construction of a new 1 million litre greenfield distillery on the Pontville site, expected to be commissioned in 2023.

-Ends-

¹ Based on a net sales value per litre of \$216.

² The plant and equipment required to operate the onsite cooperage is included in the \$40 million purchase price and will be transferred to the Lark group 12 months after completion of the Acquisition.



Lark Distilling Co.

ABOUT LARK

Founded in 1992 by pioneer Bill Lark, this year Lark Distilling Co. will be celebrating its 30th anniversary. This iconic milestone will be honouring the Tasmanian barley, water and climate — and the Tasmanian distilling industry as a whole. Lark Distilling Co. houses a range of spirits headlined by its single malt whiskies, including the Classic Cask 43% and Cask Strength 58% and its unique blended-maltwhisky, SYMPHONY No.1. The distillery also produces a range of [Forty Spotted Gins](#) and handcrafted Tasmanian spirits and liqueurs.

In April 2021, Lark Distillery was named Australia's first carbon-neutral distillery under the Australian Government's Climate Active Program, meaning the activities associated with running Tasmania's first distillery have no net negative impact on the climate. One of the most rigorous and widely recognised carbon-neutral programs in the world, [Climate Active](#) certification is only awarded to businesses and organisations that have credibly reached a state of achieving zero net emissions.

For the second consecutive year, Lark Distilling Co. has been nominated for the International Wine and Spirit Competition (IWSC) Worldwide Whiskey Producer of the Year award.

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This announcement has been approved for release by the Board of Directors.